

INTERNATIONAL SHOE Co.

MANUFACTURERS

2501-2503 Washington Avenue

St. Louis, Mo.

NOVEMBER 30, 1922



BOARDS
Q 34.33
1202



INTERNATIONAL SHOE Co.

MANUFACTURERS

1501-1509 Washington Avenue

St. Louis, Mo.

NOVEMBER 30, 1922

OFFICERS AND DIRECTORS

JACKSON JOHNSON	Chairman of the Board
F. C. RAND	President
H. W. PETERS	Vice President
J. C. ROBERTS	Vice President
W. H. MOULTON	Vice President
H. WATKINS	Vice President
J. T. PETTUS	Vice President
C. D. P. HAMILTON	Vice President
T. MORENO	Vice President
R. N. WARMACK	Vice President
F. A. SUDHOLT	Secretary and Treasurer
D. E. WOODS	Auditor
C. REESE, JR.	Director
P. B. JAMISON	Director
H. C. STRIBLING	Director
E. H. PETERS	Director
S. M. TIPTON	Director
GRIFFIN WATKINS	Director
A. W. JOHNSON	Director
H. E. JENKINS	Director
H. R. GREEN	Director

MARWICK, MITCHELL & Co.

ACCOUNTANTS AND AUDITORS

CERTIFICATE OF AUDITORS

St. LOUIS, December 22, 1922.

We have audited the accounts of the International Shoe Company (including those of its subsidiary, the W. H. McElwain Company) for the year ended November 30, 1922, and certify that the accompanying Balance Sheet properly presents, in our opinion, the financial position of the Company as at November 30, 1922, and the Income Account, the results of the operations of the Company for the year then ended.

The cash in banks and on hand has been verified by certificates received from the several depositories, while the notes and accounts receivable are stated after eliminating all known uncollectible accounts and after making suitable provision for discounts and doubtful debts. The inventories of manufactured merchandise, raw materials, supplies, etc., as prepared under the supervision of responsible officials of the Companies, have been valued at net cash cost or market prices, whichever were the lower at November 30, 1922.

The securities held as collateral against loans and advances, and the securities in respect of investments in other companies were produced for our inspection.

The expenditures on additions to the physical properties during the year under review have been substantiated from properly authorized vouchers and other documents. Adequate charges against operations have been made for depreciation and maintenance of the physical properties.

All liabilities of the Companies at November 30, 1922, of which we have cognizance, are recorded in the Balance Sheet, including a full provision with respect to Income and Profits Taxes to that date.

MARWICK, MITCHELL & CO.

INTERNATIONAL

GENERAL BALANCE SHEET

(In which is Consolidated the Assets and Liabilities of the Company and its Subsidiaries)

As at November 30, 1928

ASSETS

CURRENT ASSETS:

Cash in Banks and On Hand.....	\$ 2,087,181.95	
Notes Receivable.....	\$ 370,652.87	
Accounts Receivable:		
Customers, less Reserve for Discounts and Doubtful Accounts.....	16,664,495.13	
Salesmen's Traveling Advances and Sundry Accounts.....	203,283.55	17,238,431.55
Inventories:		
Manufactured Merchandise.....	10,135,858.25	
Raw Materials, Supplies, and Mer- chandise in Process.....	17,133,870.73	27,269,728.98
TOTAL CURRENT ASSETS.....		46,595,342.48
Loans and Advances to Employees and Others, secured by Preferred and Common Stock of International Shoe Company.....		168,107.30
Expenses Paid in Advance—Insurance Premiums, Interest, Taxes, and Other Deferred Charges against Operations....		214,425.85
Investments in Stocks and Bonds of Other Companies		581,079.97
Physical Properties at Tanneries, Leather and Shoe Factories, and Distributing Ware- houses:		
Land and Water Rights.....	731,922.61	
Buildings and Structures.....	8,713,900.67	
Machinery and Equipment.....	8,250,925.60	
TOTAL.....	17,696,748.88	
Less—Reserve for Depreciation.....	7,189,997.75	
Net Depreciated Cost of Physical Properties.....		10,506,751.13
Goodwill, Trademarks, and Brands.....		12,750,000.00
TOTAL.....	\$ 70,815,706.73	

SHOE COMPANY

BALANCE SHEET

Assets of W. H. McElwain Company, Boston)

December 30, 1922

LIABILITIES

CURRENT LIABILITIES:

Notes Payable:

Banks and Brokers.....	\$ 4,505,000.00
Individuals.....	100,000.00

Accounts Payable for Merchandise, Expenses, Payrolls, Etc.....	3,869,877.54
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Officers and Employees Balances, Deposits, Etc.....	512,875.01
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TOTAL.....	8,987,752.55
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Reserve for Income and Profits Taxes.....	1,800,000.00
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TOTAL CURRENT LIABILITIES.....	10,787,752.55
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Reserve for Dividends on Preferred Stock.....	89,571.00
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Minority Stockholders of W. H. McElwain Company—

Estimated amount payable to Minority Stockholders of W. H. McElwain Company under exchange offer of International Shoe Company, for which Preferred and Common Stock of the latter has been reserved.....	13,644.22
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CAPITAL STOCK:

Preferred, 8% Cumulative:

Authorized—250,000 shares of \$100 each, whereof issued and out- standing, 179,142 shares.....	\$ 17,914,200.00
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Common Stock:

Authorized—1,400,000 shares without nominal or par value, whereof issued and outstanding, 918,006 shares.....	42,010,538.96
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TOTAL CAPITAL STOCK.....	59,924,738.96
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TOTAL.....	\$ 70,815,706.73
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Contingent Liabilities—None.

INTERNATIONAL SHOE COMPANY

INCOME ACCOUNT

(In which is Incorporated the Operating Results
of W. H. McElwain Company, Boston)

For the year ended November 30, 1922

Net Sales of Shoes and Other Manufactured Merchandise after deducting Returns and Allowances for Prepayments	\$ 97,366,403.62
Cost of Shoes and Merchandise Sold, after charging Operating Expenses, Maintenance and Depreciation (\$618,332.46) of Physical Properties; Selling, Administrative, and Warehouse Expenses; and Credit Losses.....	87,315,253.69
OPERATING PROFIT.....	10,051,149.93
Miscellaneous Earnings:	
Discounts on Purchases, Interest and Dividends Received, Rentals charged to Factories, and Other Receipts....	2,145,581.48
GROSS EARNINGS.....	12,196,731.41
Interest Charges on Notes Payable.....	456,910.40
NET EARNINGS.....	11,739,821.01
Provision for Income and Profits Taxes.....	1,502,864.43
NET INCOME FOR YEAR.....	\$ 10,236,956.58

COMMON STOCK CAPITAL ACCOUNT

Net Income for year ended November 30, 1922.....	\$ 10,236,956.58
Deduct Dividends Declared:	
Preferred Stock—8%.....	\$ 1,414,945.00
Common Stock—\$2.00 per share.....	1,825,788.00
	<u>3,240,733.00</u>
	6,996,223.58
Common Stock Issued as part Consideration in the Exchange of Preferred and Common Stock of W.H. McElwain Company, Boston, and Common Stock Issued for Cash—6,727 shares	229,939.03
Equity of Common Stockholders at November 30, 1921 against which 911,279 shares without nominal or par value were outstanding.....	34,784,376.35
Equity of Common Stockholders (918,006 shares) at November 30, 1922.....	\$ 42,010,538.96

SALES BRANCHES

ST. LOUIS

Roberts, Johnson & Rand
Peters
Friedman-Shelby
Shoe Specialty Manfg. Co.
Continental Shoemakers

BOSTON

McElwain, Hutchinson & Winch
Great Northern Shoe Co.

NEW YORK

Morse & Rogers

SHOE FACTORIES AND SUPPLY DEPARTMENTS

MISSOURI

St. Louis
Hickory St. & Mississippi Ave.
Broadway & Cherokee Streets
St. Louis & Jefferson Avenues
Thirteenth & Mullanphy Streets
Twelfth & North Market Streets
Jefferson Ave. & Madison St.
Glasgow Ave. & North Market St.
3417 Locust Street
2536 W. University Street
1700 Morgan Street
Bland
Cape Girardeau
De Soto
Hannibal
Hermann
Jackson
Jefferson City
Bolivar & McCarty Streets
Main & Linn Streets
Kirksville
Macon
Marshall
Mexico
New Haven
Pacific
St. Charles
St. Clair
Sullivan
Sweet Springs
Vandalia
Washington

ILLINOIS

Alton
Belleville
Chester
Jerseyville
Lincoln
Mt. Vernon
Olney
Pittsfield
Springfield
Steeleville

NEW HAMPSHIRE

Claremont
Keene
Manchester
Central Plant
Cohas Factory
Eastside Factory
Derryfield Factory
Nashua
Newport

KENTUCKY

Paducah

TANNERIES

ILLINOIS

South Wood River

NEW HAMPSHIRE

Manchester
Merrimack

NORTH CAROLINA

Morganton

PENNSYLVANIA

Mt. Jewett
St. Marys



